

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7746

BILL NUMBER: HB 1569

NOTE PREPARED: Feb 26, 2003

BILL AMENDED: Feb 25, 2003

SUBJECT: Internet Prescription Drug Information.

FIRST AUTHOR: Rep. Kersey

FIRST SPONSOR: Sen. Dillon

BILL STATUS: As Passed - House

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Drug Utilization Review Board to determine the 15 drugs prescribed most frequently under Medicaid. The bill requires the Office of the Secretary of Family and Social Service (FSSA) to conduct an annual survey of all Indiana pharmacies of the retail prices of the 15 drugs and to publish the survey results on the Internet. The bill also requires FSSA to provide links on the office's website on AccessIndiana to drug manufacturers' prescription drug discount programs and patient assistance programs and to make available print copies of the information published on the website at the county offices of the Office of the Secretary. The bill further requires FSSA to promote and encourage participation in the Indiana Prescription Drug Program.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) This bill requires the Drug Utilization Review Board to develop a list of the 15 most commonly prescribed legend drugs in the Medicaid program. FSSA is to conduct an annual survey of all Indiana pharmacies' retail prices for each of the 15 drugs. FSSA is to compile and publish the survey results on the Internet and provide links to drug manufacturers' prescription drug discount program information that may be available on the Internet. Information regarding the drug manufacturers' drug discount programs and patient assistance programs is also to be made available in print copies in the county offices of the Division of Family and Children. With the possible exception of the retail price survey, the provisions of this bill could be performed within the current level of resources available to the Secretary.

The State of Maine has developed a program similar to that required by the bill. The Maine Drug Pricing Survey is located on the state government's web site. The Drug Pricing Survey contains information similar to that proposed in this bill and is provided on-line by the Maine Department of Human Services' Bureau of Elder and Adult Services. The Drug Pricing Survey is comprised of retail prices for 15 pharmaceutical drugs gathered from a survey sent to pharmacies located throughout Maine as well as pharmacies located in Canada. The Maine Bureau of Elder and Adult Services distributed the survey to the pharmacies. Once

returned, the pharmacies were asked to verify the submitted prices. The retail pharmaceutical drug prices of the 112 pharmacies that chose to participate were then compiled by pharmacy and location and placed on-line. Consumers are advised on the web site that prices may have changed since the survey and they should verify prices with the pharmacies themselves. Maine has reported that the retail prices change frequently reducing the reliability of the survey information.

According to the Indiana Health Professions Bureau, there were 1,360 active pharmacies in Indiana as of October 2002. Assuming the cost for the survey forms, printing, sealing, and postage is \$190.30 per 1,000 forms, the cost of distributing a survey document for retail drug prices to Indiana's 1,360 pharmacies is estimated to be approximately \$259. This estimate does not take into consideration the potential need for staff time to implement and compile the survey. The bill requires that the survey results be searchable by listed drug and county. This may require a one-time expenditure for data base programming. If additional administrative time or more technical assistance is needed, the cost would increase. *[Note: If additional information is received from the Maine Bureau of Elder and Adult Services regarding the resources used to implement the program, this note will be updated.]*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Maine Department of Human Services, Bureau of Elderly and Adult Services, (800) 262-2232; www.state.me.us/dhs/beas/; and the Office for Oregon Health Policy and Research, at www.oregonrx.org.

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